[Shri Aladi Aruna alias V. Arunachalam]

its visit to Bangalore, Calcutta and Itanagar during September, 1985.

[The Deputy Chairman in the Chair]

MOTION FOR CONSIDERATION OF SEVENTH FIVE YEAR PLAN, 1985—90

THE DEPUTY CHAIRMAN : In view of the 7-hour discussion on the Government Motion regarding Seventh Five Year Plan, we are not having Special Mentions today. We will have them tomorrow. Shri Ajit Panja.

SHRI SURESH KALMADI (Maharashtra): Point of order, Madam.

THE DEPUTY CHAIRMAN: There is no point of order.

SHRI SURESH KALMADI: This is about the Seventh Five Year Plan itself which we are discussing today. Seventh Five Year Plan has already been finalised. I do not know why we are wasting the time of Parliament. They have already finalised it and Parliament has not been taken into confidence.

THE DEPUTY CHAIRMAN: Don't waste more time of this House. This is my ruling.

SHRI MURLIDHAR CHANDRAKANT BHANDARE (Maharashtra): He need not contribute to it.

THE DEPUTY CHAIRMAN: So you withdraw your name. You don't want to speak on it?

श्री सत्य प्रकाश मालवीय (उत्तर प्रदेश): माननीया, मेरा व्यवस्था का प्रश्न यह है कि जो प्लैनिंग कमीशन है, उसके अध्यक्ष प्रधान मंत्री जी होते है और आज सरकारी संकल्प है जिस पर इस सदन में विचार किया जाएगा, तो मेरा व्यवस्था का प्रश्न यह हैं कि स्वतः चंकि प्रधान मंत्री जी अनुपस्थित है, इसलिए कृपया सदन की कार्यवाही को स्थगित करें। प्रधान मंत्री जी को यहां पर उपस्थित रहना चाहिए था क्योंकि वह प्लैनिंग कमीशन के अध्यक्ष हैं. . . (**व्यवधान**)

SHRI SURESH KALMADI: It is only a ritual.

श्री सत्य प्रकाश मालवीय : एक भी प्लैनिंग कमीशन का सदस्य, जो मंत्रिमंडल में है, राजीव गांधी जी प्रधानमंत्री विश्वनाथ प्रताप सिंह जी सदस्य, पी० वी० नरसिंह राव, सदस्य और श्री बूटा सिंह जी, सदस्य —यह चार मंत्री परिषद के सदस्य हैं। इनमें से एक भी यहा पर उपस्थित नहीं है।

THE DEPUTY CHAIRMAN. Mr. Ajit Panja is the Minister of State. He is present.

संसदीय कार्य मंत्रालय में राज्य मंत्री (श्री सीताराम केसरी) : उपसभापति जी, जहां तक आपने प्रधानमंत्री जी का बात कही, वह आज सात बजे स्वतः आकर के आप के सदन में इस पंच वर्षीय योजना पर उत्तर देंगे। जहां तक प्रश्न है . . . (**व्यवधान**)

श्री सुरेश कलमाडी : आपने मेरी बात सुनी है, नहीं . . . (**व्यवधान**) क्यों हाऊस का टाईम वेस्ट कर रहे हैं ?

उपसभापति : कृपया आप अपना स्थान ग्रहण कर लीजिए।

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI AJIT PANJA): Madam, I have the privilege of moving the following Motion for consideration of the House.

> That the "Seventh Five Year Plan, 1985-90" laid on the Table of the Rajya Sabha on the 4th December, 1985 be taken into consideration.

Hon'ble Members to whom the document was made available when it was laid on the Table of the House on 4th December, 1985, would no doubt have had a chance to go through it I would, therefore, confine myself to highlighting some of the major thrusts and policy directions outlined in the Seventh Plan document.

I can make no better beginning to this presentation before this House than to call to mind the Prime Minister's address to the National Develop-

ment Council when it met on 8th and 9th of November, 1985 to consider the Draft Seventh Plan. The Prime Minister had said—and I quote:

"The adoption of the national Plan is a significan event in a planned economy. The Plan sets the pace and direction of development in a long-term perspective. It defines socio-economic objectives and priorities. It lays down concrete goals for Government, both at the Centre and in the States. Perhaps, most important of all, it embodies the national consensus on how to eradicate poverty and to build a strong, self-reliant society. Each Plan takes us nearer to our cherished goal of socialism."

In formulating the Plan, we have carried out the wishes of our beloved Indiraji when she gave the clarion call at the National Development Council meeting in July, 1984 to build the Seventh Five Year Plan around the basic priorities of Food, Work and Productivity. It was she who, with her firm grasp of the essentials that are the pith and substance of the entire Plan economy, had given a clear call to see that the priorities inform every sector of our planning effort. In formulating the Plan we have, therefore, kept in view the mandate given by the National Development Council under her lead when it approved the Approach paper last year. The imperatives of providing for food and an expanded system of food security, for creating employment opportunities, and for raising the productivity of our agriculture and industry, have guided us in the preparation of this Plan. These have found acceptance and endorsement by the National Development Council at its recent meeting when it approved the Plan. Furthermore, particular attention has been paid to development of human resources, and of raising the capability of the infrastructure, since these are of critical importance for sustaining the growth process. Substantial increases in the provision of outlays have been made for both human resource development and for the infrastructure.

Honourable Members are no doubt aware that, as was mentioned by the Prime Minister to the National Development Council, the Seventh Five-Year Plan builds on the strong growth performance of the Sixth Plan. As the Prime Minister said, and I quote:

"The Sixth Plan growth target of about 5 per cent has been achieved. The performance of the agricultural sector was particularly impressive, specially in food production. Substantial progress was made in key industrial sectors, including coal, oil, power, cement, fertilisers. The Plan laid special emphasis on reducing poverty. The percentage of population below the poverty line has declined significantly. However, we have still a long way to go. We shall fight the battle against poverty with determination, and with all our strength.

All this has been achieved while bringing inflation firmly under control and managing the balance of payment successfully."

I would now like to give some statistics which will, I hope, serve to underline what the Prime Minister had said, and how we propose to carry out the mandate of the National Development Council in the implementation of the Plan. As honourable Members will know from the Plan document, the total public sector outlay is placed at Rs. 188,000 crores over the Seventh Plan and of this amount, Rs. 95,534 crores is the Centre's outlay, while the outlays of the States and Union territories are expected to be Rs. 80,698 crores and Rs. 3,768 crores respectively. The gross domestic product is projected to increase at 5 per cent per annum, with the value of gross output of agriculture increasing at 4 per cent per annum while that of mining and manufacturing is slated to grow at 8.3 per cent. The contribution of electricity, gas and water-supply to gross output would be at about 12 per cent per annum, while that of transport would be around 8 per cent per annum.

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Members would be happy to know that as much as 30.45 per cent of the total outlay of the Centre, the States and the Union Territories is devoted to energy, with agriculture and rural development, irrigation and allied sectors amounting to 22 per cent of the total outlay. The next highest percentage is going to be social services, 16.31 per cent. In rupee terms these outlays come to Rs. 54,821 crores for energy, Rs. 39,772 crores for agriculture and rural development, irrigation and allied sectors and Rs. 29,350 crores for social services. The next highest slice of the outlay is for transport which with an outlay of Rs. 22,791 crores, amounts to 12.76 per cent of the total public sector outlays. Members will, I hope, note that the public sector outlays, therefore, provide for the major thrusts in the areas of the Plan in adequate measures.

Madam, this brings me to the structure of the Plan and how through the pattern of resource allocation it is hoped to achieve the Plan objectives in that manner. The Prime Minister has said in his address to the National Development Council and I quote:

"Agriculture is the backbone of our economy. It is here that sustained growth generates productive employment for the largest number of people. Rising employment means less poverty. Expanding agricultural production is also essential for the industrial growth and for advances in other sectors of the economy. The task before us now is to bring about faster and more even agricultural growth. We have to extend the green revolution to the eastern region and to the dry land areas where a large part of our population is concentrated. And it is here that the problem of poverty is most acute. This will help to remove regional imbalance, and it is the key to the successful attack on poverty."

The agricultural strategy has as its objective the building of an expanded system of food security at rising levels of per-capita consumption. I would invite the attention of the hon. Members to Table No. 2.11 in Volume I of the Plan document where the socio-economic indicators of change have been set out in brief. It will be noticed that the per-capita consumption of foodgrains would go up from 178 kg. per capita per annum in 1984-85 to 193 kg. by the end of the Seventh Plan, and further to 215 kg. per capita per annum by the year 2000. We have to develop our water resources, strengthen and expand the extension effort by which the research results in our agricultural research institutions are carried down to the field and to bring about the basic institutional changes in agrarian relations that can no longer be evaded.

The consolidation of holdings and land reforms are important not only for social justice but are equally important for agricultural growth. We have to develop and expand the system of infrastructure for providing the farmer the inputs that he requires for sustaining his effort. It is central to the growth process in India in the shape of seeds, fertilizer, credits, besides extending the infrastructure after the harvest, that is, for marketing of his produce in such a way that he is able to raise his income level without being subjected to adverse fluctuations. Thirteen million hectares of irrigation potential will be created as part of the ongoing development as an essential input like water for our agriculture. The gross cropped area will, we hope, go up from 180 million hectares in 1984-85 to 190 million hectares in 1989-90. Special programmes are to be formulated and implemented for effecting a breakthrough in rice output especially in the Eastern region and some of the Southern areas for dry-land farming; and for production of oilseeds and pulses.

Programmes for raising small and marginal farmers' productivity will figure prominently in the strategy

for raising the income of the poor. Finally, afforestation will receive special emphasis during the Seventh Plan. In this context, Madam, special mention ought to be made for the role of the newly establish National Wasteland Development Board which has been charged with the responsibility of drawing up a plan for the development of wasteland through a massive programme of afforestation and tree planting.

Hand in hand with agricultural growth and thrust, there will be taken in hand an attack on poverty and unemployment Madam, in keeping with this approach, not only does the Seventh Plan propose a substantial part of additional production should arise from the small and marginal farmers and from rain-fed and dry land areas and particularly those in Eastern India, but there is also envisaged a special effort at raising the agricultural productivity in rice growing areas in Eastern India. Besides the beneficial efforts of agricultural production and the income accruing to small and marginal farmers, there will also be undertaken the employment oriented programme such as National Rural Employment Programme, the Rural Landless Employment Guarantee Programme which would contribute significantly to the generation of additional employment opportunities in the rural areas.

The third element of our strategy, Madam, for tackling unemployment in the economy is by having a faster rate of growth for industry and a considerable expanded housing programme in the private sector for which attempts are to be made to provide finance through institutional sources.

Thus, these three elements taken together, that is, rise in the agricultural production and productivity employment generation programme and income generation programmes like NREP and IRDP and faster industrial growth all taken together generate a larger volume of employment both in the agricultural and in the non-agricultural sectors than in the past. I would particularly like to stress for the benefit of the hon. Members what we envisage on the employment front and in respect of poverty levels. We hope to generate additional 40 million standard person years in the Seventh Plan as against a net additional to the labour force of about 39 million persons over the same period, that is to say, employment opportunities will grow at 4 per cent per annum as against a growth of 2.5 per cent or 2.6 per cent of the labour force in this plan period. Nearly 18 million standard person years out of 40 million standard person years of the additional employment will come from agriculture, while the service sector will contribute nearly 10 million standard person years. "Manufacturing" "Construction" and "Other transport" will contribute 6.7 million, 2.2 million and 2.4 million standard person years respectively. Madam, the Seventh Plan is thus an employment oriented plan and by means of this strategy, we have adopted in resource allocation and in the generation of value added in the economy, we will be carrying out the second directive which our late beloved Indiraji had given us, that is, our people must be bound productive employment in order to be able to make their contribution not only to the national development effort, but also because it adds to once sense of personal achievement and human dignity to be productively employed in doing useful work of the nation. Hon'ble Members would be further interested to know that the overall strategy in the Seventh Plan is aimed at reducing the poverty levels from around 37 per cent of the total population in 1984-85 to around 26 per cent in 1989-90. In absolute numbers, the number of people crossing the poverty line would be about 62 million, of which the rural/urban break-up is 53.6 million and 8.3 respectively. Inherent in our entire planning strategy is the underlying concern for reducing poverty and making India

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a more equitable, socially just and less economically desparate society country. These are some of the most important features of the strategy of the Seventh Plan.

This brings me to another aspect of social justice, and on which our Prime Minister had laid great stress ever since he took charge of the new Government with a massive mandate from our people. As he told the National Development Council and I quote:

"Development is not about factories, dams, and roads. Development is about people. The goal is material, cultural and spiritual fulfilment for the people. The human factor, the human context is of supreme value in development.

It is for this reason that we have provided proportionately larger allocations for human resource development. Policies and programmes in the fields of education, culture, health, welfare of women and youth, uplift of scheduled castes, scheduled tribes and other weaker sections, aim at creating a stronger and more cohesive national community. All must have access to the benefits of modern knowledge. At the same time, we must preserve our heritage, the poise and strength of our inner spirit. We shall strive for quality and excellence in the life of the community and in that of individuals. Our every effort must aim at fuller development of man as an integrated personality synthesising science and spirituality. This conception of a harmonious society rests on balances—balance between resources and population, between material growth and intellectual, moral and spiritual development, between nature and man."

Corresponding to this vision, we have provided for a massive increase in the resources, which have been allocated for human resource development: these have been stepped up from Rs. 14035 crores proposed when we framed the Sixth Plan, to Rs. 29,350 crores in the Seventh Plan. We have, thus, more than doubled the proposed outlay from the Sixth Plan to the Seventh Plan and these, taken together in the fields of education, health, integrated children's development programmes, programmes for the socio-economic development of women and for upliftment of disadvantaged classes for the scheduled castes and the scheduled tribes and through the minimum needs programme, would deliver some of the basic essentials of social overhead consumption needs of our people. The immunisation programme to protect young children, and women, from the diseases to which they are particularly prone, and the programme to ensure safe drinking water supply to all our population are two of the major welfare measures to be undertaken in the Seventh Plan. We propose an increase in enrolment, at the elementary education stage, that is, covering classes, I—VIII by 25 million, so as to cover 92 per cent of the population of children in the age group of 6—14 years. These are all parts of the entire package for delivering the essentials of human resources development in the Seventh Plan. We also propose to undertake major initiatives to reduce the rate of population growth. The family welfare target is of effective couple protection rate of 42 per cent of all eligible couples by 1990, and a reduction in the infant mortality rate 90 per thousand of population. Programmes for housing for rural families, and for improving the lot of urban slum dwellers and for the development of medium and small towns are also part of the general programme for improving social services in our country. Madam, this brings me to the programme for Industry where the rate of growth is expected to be around 8 per cent in the manufacturing sector by removing infrastructural constraints like power shortages and transport shotages, by facilitating better utilisation of existing industrial capacity through a rapid increase in the demand for mass consumption goods that will be required to satisfy the needs of those who are to be

provided higher incomes and increased employment whether in the rural areas or in the urban areas. We expect to sustain an overall improvement in the rate of growth of industry than in the past.

Hon. Members would be glad to know that the Energy sector has been accorded the highest ever allocation in a Plan period, accounting for as much as 30.5 per cent of the total public sector outlay. There are massive increases slated for the production of power, coal and petroleum, details of which hon. Members would find in the appropriate chapters of the Plan document.

Cement and fertilisers production, Madam, is also expected to go up over the Plan period, with cement production reaching a level of 49 million tonnes by the end of the Plan, while domestic fertilisers production is slated to go up from just over 5 million tonnes at the beginning of the Plan to 8.75 million tonnes in 1989-90

Aluminium imports will be totally eliminated when our production touches 499,000 tonnes in 1989-90, though some imports of copper, lead and zinc will still be required.

This brings me to the last aspect of the Plan, that is, its financing. All sections of the community have to recognise that the financing of the massive outlay of the Seventh Plan requires determined and more intense efforts for resource mobilisation. The Plan is crucially dependent upon the achievement of the target of the tax-ratio to GDP improving by 2 per cent, that is, from 16.3 per cent to 18.3 per cent over the Plan period. Subsidies and other non-Plan expenditure will have to be firmly contained if excessive recourse to deficit financing is to be avoided. This will no doubt entail some sacrifice by those who have been getting the benefit of the subsidies, but unless this is done, the resources cannot be found.

The Public sector enterprises of the Central and the State Governments also will have to subject themselves to a rigorous discipline so as to reduce their cost of production, and to increase their margins so as to generate larger internal resources of their own for financing additional investment. All these measures would be essential for generating resources in a non-inflationary manner. Where the losses of public sector undertakings are arising from low productivity, or from managerial deficiencies, these will require to be rectified without any loss of time, as the community at large cannot be expected to bear the results of inefficiency arising from these reasons. Such inefficiencies got reflected either in rising prices, whether in the market or through administered prices, or in losses incurred, which have to be made good from tax revenues.

To maintain the viability of external payments, it will be necessary to pay greater attention to exports by an efficiently working industry, and to contain the growth of imports. Our export performance still displays major structural weaknesses and in the interest of an orderly management of our balance of payments, as mentioned in the Plan document, there will have to be substantial improvement in the competitiveness and quality of our exports.

I would like to conclude this presentation to the House by making a brief reference to some of the major problem areas which are crucial to the success of the Plan. First, rehabilitation and revitalisation of the agricultural credit system is essential for achieving the agricultural targets of the Plan. For financing adequately the input requirements of agriculture, the mounting overdues in the agricultural credit system must be firmly controlled. Agricultural credit cannot continue to be one-way outflow only. Secondly, the quality of our agricultural and rural development administration must show substantial improvement and the planning capability at the district level has to be made effective so that planning from below takes firm basis. The large flow of money to various anti-poverty programmes will be able to make a thorough impact in reducing poverty at the ground level only if this improvement in the delivery system comes about. Thirdly the basic strategy of the programme content of the family

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welfare programmes has to be looked into afresh so as to bring about a faster reduction in the rate of population growth. Lastly, there must be a major improvement in the productivity, the efficiency and the internal resource generation of the public sector enterprises, both of the Central and of the States. Only by raising their performance levels can there be delivered the infrastructural requirement for attaining the rate of growth envisaged in the Plan and for delivering the fruits of development to our people. I have outlined the above basis strategy for the broad aims and objectives and the rationale underlying the structure of resource allocation of the Plan. Let us all pledge ourselves to the implementation of this Plan. The people of India have abiding faith in the planning process. Let us attack poverty unitedly with courage and devotion. Let us build a strong India. I cannot help quoting Atul Prasad, the Bengali poet, in this regard:

"Balo Balo Balo Sabe, Sata bina benirahe,
Bharat abar jagat sabhay shrestya
Asanlabe".

It means, let us all give a clarion call to all people all over that the day is coming when India will take the best seat in the world.

With these words I commend the Seventh Five Year Plan 1985—90 to the House for its consideration.

श्री सत्य प्रकाश मालवीय : उपसभापति महोदय, मैं प्रस्ताव करता हूं कि—प्रस्ताव के अंत में निम्नलिखित जोड़ा जाए अर्थात:—"और इस पर विचार करने के पश्चात् इस सभा कि सम्मति है कि यह योजना विकास की पूंजीवादी पद्धति पर आधारित है और इसलिए यह निर्धनता बेरोजगारी, अपूर्ण रोजगार, मूल्य वृद्धि, असमानता, निरक्षरता और किसानों को उनकी उपज के लिए लाभकारी मूल्य दिलाने जैसी देश की मूल समस्याओं में किसी समस्या का हल कर पाने में असमर्थ है और इसलिए सभा सरकार को निदेश देती है कि वह—

(क) सातवीं योजना को पूर्ण रूप से नयेसिरे से बनाये, और

(ख) लोगों की एक योजना समिति बनाये जिसमें विपक्षी दलों के नेताओं को भी सम्मिलित किया जाए।"

The questions were proposed.

THE DEPUTY CHAIRMAN: Now the motion and the amendment are open for discussion. Mr. Nirmal Chatterjee, twenty-two minutes for you.

SHRI NIRMAL CHATTERJEE (West Bengal): Madam, isn't it unfortunate really since you mentioned twenty-two minutes, that a Plan which is supposed to be the basic economic policy statement for the next five years—and this time once again it is projected for a 15-year period as a perspective plan also—instead of it being discussed for seven days, a debate on it should be restricted to just seven hours? It is unfortunate also that we are discussing something which is given to us as a *fait accompli*. So much so, one of the leading Members of the Opposition did not want any discussion on the Seventh Plan at all in this House. He was in a sense justified.

It is not only that it has been presented to us as a *fait accompli*, but the mode of presentation also, not only to the House, but also to the people, is much more serious than the fact that parliament did not have the time to debate the Seventh Five Year Plan before it was introduced.

Madam, I do not know of any country in the world, where a Plan, before discussion, had been marked "Secret" and "Confidential". But this is the story of the Seventh Five Year Plan here when it was sent to the Chief Ministers of the various States before their meeting in the National Development Council. They were given only fifteen days' time and the document was marked "Secret" and "Confidential". Now, Madam, the Plan document to be a secret, to be confidential, to be hidden from the view of the people, well, the Seventh Five Year Plan is really unmatched in terms of its progeny. I do not know why it is so, is it born in sin.

I just want to draw the attention of the House—the House also know it—to the fact that the Soviet Union's first Five

Year Plan was launched in 1928 and we all know—at least the majority should know—that the workers captured power in Russia in 1917 in order to give this gift to the entire humanity, to free them from market, to free them from profiteering, to free the economy from the dictates of God and present this instrument of planning to humanity. They took eleven years. The earlier period I do not mention. I recount the story of the last three years only. Why was so much delay there? It was first drafted in the year 1925. The Plan was sent to every single village and the Plan was discussed in every single village and it came back. The draftsmen, the Planning Commission, had to discard the old draft and a new draft had to be produced and they could not launch the plan in 1926. Again, Madam, a draft was sent and again the entire country debated and again the Plan had to be redrafted. So, for three years this process continued.

THE DEPUTY CHAIRMAN: Are we discussing the Indian Plan or the Soviet Plan?

SHRI NIRMAL CHATTERJEE: I am discussing the Indian Plan only. But I am making a reference to the Soviet Plan.

THE DEPUTY CHAIRMAN: The reference should not be so long because you will lose your time.

SHRI NIRMAL CHATTERJEE: I do not want our country to be the USSR. But I want our model to be at least not worse than the model of the USSR.

Now, Madam, as you all know, we are supposed to be the largest democracy in the world and many in the ruling party would consider the USSR not to be as democratic. Now, it is not only that the Plan was initiated there, but also this process continues even today in the USSR But we seem to be real democracy compared to them.

Now, Madam, I come to the Indian Plan as you desired. I do not know why this much of delay was there. I also do not know why this much of secrecy was there. If the Plan is to be discussed, it means that the assumptions have to be discussed, its consistency has to be discussed, the data presented have to be discussed and the internal checks have to be discovered. All these, as far as possible, have been denied to the Members of Parliament, to the citizens of our country. Why so? Is there something to hide in it? There is, I suppose. I refer to three distinct features of the Seventh Five Year Plan, which were never there before in the earlier Plans in India. Of course, the Chairman of the Planning Commission, because he is new, he does not know, as was discovered last week. The first important feature to be noted is that it is for the first time in India that a Plan has been prepared, a plan has been drafted, it has been said by the NDC, which provides for public investment, investment in the public sector, as less than half of the total investment in the economy. It is not very surprising except in the sense that the trend was continuing. I give you the figures. I do not know if the Planning Minister has got these. The figures are: in the Third Plan the public sector was allotted in terms of investment 63.7 per cent, in the Fourth Plan it came down to 60.3 per cent, in the Fifth Plan the percentage came down to 56.6 per cent, and...

SHRI PRANAB MUKHERJEE (Gujarat): Percentage of what?

SHRI NIRMAL CHATTERJEE: Of total investment outlay. I believe you have not forgotten the distinction between the total outlay and the total invesment outlay. (*Interruptions*) I am referring to the figure of Rs. 1 lakh 80 thousand less developmental outlay, that is the investment outlay.

SHRI PRANAB MUKHERJEE: But what is the figure? And what is percentage?

SHRI NIRMAL CHATTERJEE: But you know the figure.

SHRI PRANAB MUKHERJEE: Please give the figure.

SHRI NIRMAL CHATTERJEE: I thought you know that already.

SHRI PRANAB MUKHERJEE: I am sorry for the interruption. You have exactly said that it is less than half. It is not less than half. If you simply give the figure of 322,000 crores of rupees and calculate the percentage.... (*Interruption*)

SHRI NIRMAL CHATTERJEE: Three lakhs, 20 thousand, of which the public sector investment outlay is one lakh 50 thousand and the private sector investment outlay is 1 lakh, 70 thousand.

SHRI KALPNATH RAI (Uttar Pradesh): No.

SHRI NIRMAL CHATTERJEE: I challenge anybody here. Madam, don't include this part of the time in my.... (*Interruptions*) Out of 1 lakh 80 thousand, if 25,000 is current developmental outlay, it is 1 lakh and 55 thousand. That is, investment outlay, in the public sector. So from 322 subtract 155; what remains is the private sector investment outlay. If he is not good even at this much of arithmetic I, can't help it. Let me go back to the percentages.

In fact, Madam, the Sixth Plan allocation in the public sector was 52.9, that is, 53 per cent, and the private sector 47 per cent. In this particular case in the Seventh Plan the private sector has got 52 per cent and the public sector has got 48 per cent of the investment outlay. I want him to correct it.

Now, Madam, it is not only so. It is not only in the case of total investment outlay. Something amazing has taken place in the field of investment in the industrial sector. I am not going into the erroneous definition offered by the Prime Minister of what is called 'industry'. I will stick to the definition, narrower definition, provided by the Minister of State in the Ministry of Planning last time. Here are the allotment figures; I give you the page refereace once again. In the Sixth Five Year Plan allocation.. . .

SHRI AJIT PANJA: Ma, I just interrupt since he has mentioned my name. I had said that I have given a particular definition. I gave a broad definition and also a definition ordinarily held. The Prime Minister is perfectly right in giving the definition.

SHRI JASWANT SINGH (Rajasthan): I would not ordinarily have interrupted. But the hon. Minister should realise that in this particular debate his name will consistently be taken. There will not be any restriction of timing when he gives reply He can answer each and every Member, each and every point. He cannot answer each and every time his name is mentioned. He can answer when he gives reply. without entering into the time of the hon. Member of the Opposition. His time is limited.

THE DEPUTY CHAIRMAN: Perhaps he was building on a wrong assumption.

SHRI NIRMAL CHATTERJJEE: No, I was not.

THE DEPUTY CHAIRMAN: The building should not be on wrong foundation.

SHRI NIRMAL CHATTERJEE: Madam, I assume that he has given two definitions, the narrow one and the broader one. I think that should satisfy his position. In the Sixth Plan, the allocation for public sector industries, both the Centre and the States taken together, was 11,848 crores plus 1309 crores, which is approximately 13000 crores. In reality, the realisation was a little more, although the Seventh Plan document comments that in real terms the public sector investment in industry was less than postulated. I quote from page 168 of the Plan document. Now, for the Seventh Plan what is the provision? I just repeat that in the Sixth Plan, while the provision in the public sector industries was 13000 crores, in the private sector it was

about 15000 crores. You know what is the degree of change introduced in the Seventh Plan. That is also given. For Mr. Pranab Mukherjee, it is page 175. The figures are that from 13000 crores in the Sixth Plan it is 19700 crores in the Seventh Plan. From 15000 crores in the private sector, the expansion is up to 54000 crores. If somebody says that you are handing over the industrial sector to the private MRTPs, will he be wrong? How will this sum of 54000 crores come? I will give you this figure. The Tatas are planning to have an investment of 2000 crores for high technology in this Plan period. I give you another example. In the same way for ten large houses, from Rs. 2000 crores, it will be 20,000 crores. Take the top hundred giants as published in the Economic Times and you will get this figure of 54000 crores. For the first time in our history, we are permitting this type of difference between the public and private sector handing over the industries to the MRTP companies of the country in alliance with the multi-nationals.

The second feature to which I want to draw attention is that for the first time again in this Plan the investment allotted to the States is less than half of what is given to the Centre within the public sector outlay, not investment outlay. Just as an illustration, in the Sixth Plan the State share was 51.5 per cent. Now, it has been reduced to 47 per cent. This is the second direction in which the Seventh Plan strikes a new path. The resource mobilisation of the States was more than that of the Centre in the course of the Sixth Plan despite the wrong guidance by the previous Finance Minister Mr. Pranab Mukherjee. This was made with the lower level deficit-financing in the States compared to the one which the Finance Minister, Mr. Pranab Mukherjee, indulged in at the Centre. This is expected also—a larger mobilisation of resources. Now the craze is A.R.M. in the States. This is so in the context of three interesting things. One is that Estate Duty which collected funds for the States has been abolished. The income-tax rates have been reduced, 80 per cent of which went to the States. And the consignment tax which could have been a source for the State finances has been promised in every session this year, and it is yet to see the light of the day. Madam, this is the second aspect in the approach of the Plan as given out by figures. The third aspect that I want to mention of the Seventh Plan is that for once the share of foreign savings would be increasing from the Sixth Five Year Plan to the Seventh Five Year Plan. If the share was only 1.2 per cent in the Seventh Plan it was postulated to be 1.6 per cent, a marginal difference. But it is with the help of multinationals that Rs. 54,000 crores of additional private sector investment will come. And the multinational money, when it comes in an enhanced form, it spells the kind of danger that we saw in Bhopal.

Madam, after noting these three characteristics of this Plan let us try to see the base, the Review. The Chairman of the Planning Commission has said and I quote. Of course hon. Shri Pranab Mukherjee might question this. . .

SHRI PRANAB MUKHERJEE: I have already questioned your States' resource mobilisation.

SHRI NIRMAL CHATTERJEE: They say that because of the success of the Sixth Plan, this ambition in the Seventh Plan. And here is the story of success of the Sixth Plan. I have questioned this story of success again and again. The fact that the national income target has been fulfilled is likely to be a falsehood. Why so? I said that the agricultural production has not met the target. This is admitted in the Seventh Plan. It says that the target was 153.6 million tonnes in foodgrains. (*Time bell rings*) I am sorry so much of my time has been taken by them. (*Interruptions*) They say that they have realised the figure of 150 million tonnes. Even that may turn out to be somewhat distant from truth because only recently, only yesterday it has been

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stated that the final figure of food production is now estimated at 146 million tonnes. This is the scene in agriculture. In industry, it has been widely acknowledged that instead of a 8 per cent growth rate, we could hope no more than 4.5 per cent. So, the targets are failing in agriculture, the targets are failing in industry. Once again it is either the God or the Allah or the Jesus Christ, I do not know, who can give you a realisation in terms of national income growth rate. I am asserting this on every occasion that you prove how with this kind of failures you have arrived at the national income growth rate. You say that your targets have been fulfilled. There is an attempt, Madam, in the Seventh Five Year Plan to answer this question. And that answer is in terms of value added, that is at pages 1 and 26. You see the figure. The Minister of State, I don't think, has yet the time to have expertise in these matters. But let me help him.

SHRI AJIT PANJA: Expertise cannot be somebody's own monopoly. It is against the MRTP.

SHRI NIRMAL CHATTERJEE: It is to be democratised. I entirely agree with you. And one of the beneficiaries should be the present Chairman of the Planning Commission. Now, look at this. I quote figures from pages 1 and 26. After all, national income is not the aggregate of output; it is the aggregate of value-added. I perhaps, need not elaborate on this term. It is said that the value-added—when value of gross output, grows by 4.05 per cent per annum, then, value-added would be growing at the rate of 2.5 per cent. That is less than the output growth rate. Understandably so. It has been noticed in this Plan that the input costs are rising. Can you imagine that when this is the proposal for the Seventh Plan what is the estimate for the Sixth Plan? It is exactly the opposite...

THE DEPUTY CHAIRMAN: Let me interrupt you for a minute. We have seven hours allocated for this discussion. Prime Minister would make an intervention at 7 O' clock. I would like to know from the hon. Members whether we adjourn for lunch at 1.30 or go ahead with the discussion.

श्री सीताराम केसरी : महोदया, मेरा आप से आग्रह है और आप के द्वारा माननीय सदस्यों से कि आज लंच ब्रेक न किया जाए और इस डिस्कशन को चालू रखा जाए। 7 बजे प्रधान मंत्री जी इंटरवीन करेंगे और उसके बाद पंजा साहब रिप्लाई करेंगे।

THE DEPUTY CHAIRMAN: So this is agreed. So. Mr. Chatterjee, there are three minutes left out of your time which I give you.

SHRI NIRMAL CHATTERJEE: Instead of going for lunch, I consume the lunch hour here.

THE DEPUTY CHAIRMAN: I never knew you had such an appetite.

SHRI NIRMAL CHATTERJEE: While you are giving Sixth Plan's success figures, the ratios are reversed. The value-added figures, the actual anticipated, is 4.3, while it was initially projected at 3.8. That means, the output growth rate has failed in foodgrain production and agricultural production but the value-added growth rate has increased beyond all comprehensions. This is the story behind your 5 per cent growth rate.

Then about the output. Let us see the result apart from national income. I have mentioned agriculture; I have mentioned industry. Now, all plans are not only economic plans; they are social plans, we know. Now this is the Seventh Five-Year Plan. For these 30 or 35 years, upto the Sixth Five Year Plan, we have been setting targets in the social fields like compulsory universal primary education. We wanted to have it in 15 years. Everytime we have a plan, we say in another 15 years' time we shall achieve it. Now we have decided to cover all in another 15 years' time. We have a target of doubling the total national income, doubling

the per capita income since the days of the Tata-Birla Bombay Plan through the First Five Year Plan and then the Second Five Year Plan. We are now indulging in that kind of rhetorics once again. I would draw your attention to another striking social fact. We wanted to dereserve the Scheduled Castes and Scheduled Tribes affairs in 15 years' time. We have amended it and suggested now that it will continue and God knows for how many years more. These are the broad results. (*Time bell rings*). Since there is no time, I will not say much. Neither our party nor I myself are so asinine as to say that no results have been achieved.

1 P.M.

We have achieved results. There is no longer any famine, but only famished people. There are no longer as many naked people as it was in the past. We do not deny all this. What we try to point out is this. These are not issues of debate at all. The issues of debate are: on the basis of what we have achieved can we say that we are, in the international comity of nations, advancing? The answer is a straight 'No'. In terms of an industrial power, we were previously grouped, despite our advance, among the first ten of the industrialised countries of the world. Now, we have been pushed down to among the first twenty. Despite our heroic claims about our export drive, our share in total world exports has declined over the years. Does it not indicate that despite our advance, the world over, the world around us, is advancing faster? It is that which has to be answered. It is for that every five year, the Plan has promised not only to fool the people but fool themselves so that we can keep pace in the comity of nations; but we did not succeed. (*Time bell rings*) Now, after going into the question of production, let us review the system of distribution ,because, after all, it is not production that matters on its own. How about distribution?

Madam, it has been mentioned that the results of provisional National Sample Survey have shown the percentage of the people below the poverty line to have come down. I question that figure. I challenge that figure. Why? For two reasons. We have been to various States enquiring whether, through the NREP, through the IRDP, they have been able to bring the people above the poverty line and by what proportion. The answer was unanimously 'Yes; we have been able to'. By what percentage? Say, by 20 per cent? A little probe. What do you mean by poverty line? They said unanimously, once again, that help was given to those who were earning a monthly income of less than Rs. 3,500 and now, their income is more than Rs. 3,500. Is the poverty line there? Specifically, I asked. I will not mention the names of the States. Specifically, we made enquiries. The poverty line criterion has changed. In the other House, a statement was made that it is now Rs. 6,400 in rural areas and Rs. 7,000 plus in urban areas. (*Time bell rings*) We asked them, how many have crossed this figure? They laughed at us and said that if that is the figure we wanted, then, more people have gone below the poverty line than those who have come above the poverty line. I, therefore, question the results of the survey. A survey was undertaken in Calcutta by an institution assigned by the Planning Commission. This survey was conducted in regard to the small-scale industries. I am surprised to discover that the workers in no case in the Calcutta area were having a monthly income of Rs. 600; in no case of units which employ up to five people, that is a non-factory establishment. You say that as per the National Sample Survey results, the percentage of people below the poverty line has come down. I know about these surveys. Imagine a further point. If Rs. 6,400 is the yardstick,—Rs. 6,400 annual income means assuming 300 days of work at Rs. 21 a day for agricultural labourers—where is the wage available for 300 days in a year? If this is not so, how can you make such a claim? Of course, you say that this survey results are provisional. Is it true that people have come above the poverty line, getting Rs. 20 per day wage and for 300 days a year? (*Interruptions*).

THE DEPUTY CHAIRMAN: Mr. Chatterjee, please conclude.

SHRI NIRMAL CHATTERJEE: I am concluding.

And the results, the successes which the Chairman of the Planning Commission has boasted of, have not been true even in respect of poverty line.

The land reforms Bill which has been passed in the West Bengal Assembly with a near unanimity is being halted, is not being given the assent. About the concentration in the hands of a few rich people, I believe hon. Pranab Mukherjee will provide you the data.

THE DEPUTY CHAIRMAN: Give him a chance to provide.

SHRI PRANAB MUKHERJEE: He is obsessed with Pranab, that is the problem.

SHRI NIRMAL CHATTERJEE: The situation in the economy is also characteristic. I can quote the figures, but I will not do that. There is slackness in the demand for machineries in the economy. We are heading for a debt trap. There is a threat of a debt trap in the Seventh Plan. There is the slackness in capacity utilisation, it is between 35 per cent to 60 per cent. Let nobody challenge, I have got the figures here. I do not want to elaborate on the concentration of wealth in the hands of the rich. (*Time bell rings*).

Coming to the promises they say, morning shows the day, the claim is that in this year the prices have come down. It is conveniently forgotten that a record trade deficit has already been on the scene. There has been a deficit of Rs. 3000 crores in the course of four months only. The current account deficit which is estimated to be Rs. 18000 crores would be pierced and we have to depend not only on 1.6 per cent of GDP as foreign savings, but much more than that. Budget deficit planned in the Seventh Plan is Rs. 14000 crores. Already in the first year it has been provided to be nearly Rs. 3500 crores. Add supplementary budgets, subtract whatever additions or collections you are anticipating. The Finance Minister has already said that we should not be very optimistic. This year the trend is that there will be a deficit of Rs. 5000 crores out of the total of Rs. 14000 crores provided for the entire Plan. This is the measure of promise, this is a measure of reality and the gap between the promise and the reality.

About agricultural growth, it is an absurd situation when they say that they will have a rate of 4 per cent growth. Mr. Planning Minister, we are assuming a growth rate of 4 per cent in agriculture while the trend rate of growth is three per cent. It will be even less in the case of the Sixth Plan one takes 145 million tonnes into account. It is mentioned that growth is not commensurate with inputs. This is there in the Plan. I am quoting from that. Now, regarding fertilizer consumption as estimated and as provided in the Seventh Plan, you have to have your target of foodgrain production from 146 million tonnes to 178 million tonnes or even beyond that. How can you get this additional production with the provision you have made for fertilizer consumption, remembering that you have provided for 5 million tonnes of fertilizer consumption? In fact, not more than half of it could be consumed in the course of the Sixth Plan period. I know in drafting a Plan or a budget... Another five minutes, please.

THE DEPUTY CHAIRMAN: No, I cannot give you. If you speak more, it will not be recorded.

SHRI NIRMAL CHATTERJEE: Just five minutes, Madam. The first stage is realistic. Then there is political pressure. Then you cannot be realistic; you must become optimistic. Even after being optimistic, when the resources etc. cannot be seen, then they are asked to be bombastic. This is what has happened here — a success in the Sixth Five Year Plan which has generated a crisis called "resource crunch"! Have you ever heard that because you have succeeded in your national income target, therefore you have the resource problem? Has the world witnessed any such experience anywhere else? I want to know this from the State Minister. That is the biggest measure of success of which they have boasted!

Is there an alternative? I will conclude now. There is an alternative. I will just list out the steps. The Finance Minister is not there. The first step is to recognise that there are conflicts within the society and it is not a harmonious whole. If you want to give it to the poor, you have to hit the rich, even if it is to be Mr. Salve.

Secondly, in trying to take it forward you have to depend on the workers and not on the rich, as you are allowing them to spend 54,000 crores of rupees in the next five years.

Thirdly, there is a Calcutta Declaration in terms of economic development. A conclave of economists—if you permit that expression—headed by a non-Marxist economist of fame Dr. Dutta—has said what is immediately feasible and they have recommended that. I adopt that whole thing and recommend it for the consideration of the State Minister. But in the field of finances if you want public sector to have a larger share, you stop public financial institutions to lend more to private sector and get more for the public sector. You reimpose Estate Duty; you impose expenditure tax, you raise the Income Tax rate at least to the levels of the days of the predecessor Finance Minister. By all means, don't have the expropriation rate of 97 per cent, but have the old rates prevailing when he left and implement these, as he refused to implement, as is being implemented today, and you will get from the direct taxes a larger fraction of revenue. And in terms of indirect taxes... Another two minutes and I have done. For God's sake, or for the Prime Minister's sake if he is your God, give consignment tax and. .

SHRI N. K. P. SALVE (Maharashtra): Your God is in China.

SHRI NIRMAL CHATTERJEE: By God I have the Chinese figures but I am sitting right now in India, if you don't mind.

SHRI N. K. P. SALVE: Or your God in Russia.

SHRI NIRMAL CHATTERJEE: Madam, these are the ways in which they take my time.

THE DEPUTY CHAIRMAN: It is not your time.

SHRI NIRMAL CHATTERJEE: Indirect taxes on luxuries, in the name of competition, in the name of economies of scale etc. please don't reduce them—on cars, television etc. You watch your competition and technology. I could give you, had time been there, what your technology means. Competition is a 18th century slogan, completely unfit for the 20th century. You say competition. Already the world over, from competition they have moved towards "monopoly". Today we demand that in all areas where economies of scale require that not more than one will be there, have the public sector there. Change your outlook, change your favour, change your nepotism to the private sector, re-introduce public sector. At least that will help. I am concluding, Madam.

THE DEPUTY CHAIRMAN: Five minutes are over.

SHRI NIRMAL CHATTERJEE: Utilize your food surplus if you want to reach your primary education target. Utilize your food surplus not only for Food for Work Programmes or NREP but also for providing primary education all over the country and employment of the landless and have more control than you are having today on the private sector.

Thank you, Madam, despite the fact that you could not allow more time to me.

THE DEPUTY CHAIRMAN: You did not deserve more than what you got!

SHRI PRANAB MUKHERJEE: Madam Deputy Chairman, I am glad that we are going to discuss the Seventh Five-Year Plan as approved by the National Development Council, though some questions have been

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raised about the propriety and timing of the discussion when the Plan has already been approved by the NDC. Perhaps the Members have forgotten that a Plan cannot be discussed unless it is approved by the NDC and then only we can actually use the term "Plan" because it has to be approved by the NDC and otherwise it will only remain as a proposal. To facilitate this and to create public opinion before the NDC takes a final view, the normal practice is to discuss the Approach document—which was done on the floor of this very House itself. So, there is nothing wrong if the Plan is being discussed after it has received the approval of the National Development Council.

Madam, when we are going to discuss the Seventh Five Year Plan, it would not be out of context if we look back at the days when we started and what we have achieved by this time. I am not in agreement with the distinguished speaker who spoke just before me. I would not like to waste my time on dealing with the points raised by him because, as they themselves are finding it, their policies and programmes are becoming quite obsolete just as many of the technologies are obsolete and irrelevant to the Indian situation. The Marxist Party, after sixty-five years of Communist movement in this country, could not formulate its views in its Congress about the relevance of the joint sector in Indian economy! So, I am not going into that aspect. But, what has been said is that our achievement in the Sixth Five Year Plan is not significant.

I do admit—and it has been admitted in the Plan document itself—yes, in the growth rate which we envisaged in three major sectors—agriculture, mining and manufacturing—and other service sectors, there has been a dislocation. Growth in agriculture has been a little more, growth in the mining and manufacturing sectors has become a little less and growth in other service sectors has become more. But the average growth rate of 5.2 per cent, the target which we fixed for ourselves during the Sixth Five-Year Plan, has been achieved, and this has to be remembered in the context that from the beginning of planning, which means from 1951-52 to 1979-80, the annual average growth rate in this country was 3.5 per cent. In that context, the growth rate of 5.2 per cent achieved during the Sixth Five-Year Plan is not insignificant. And, Madam, the growth which we have achieved is, by and large, through our own efforts. When we talk of self-reliance and when it is being pointed out that we have deviated from the path of self-reliance, they conveniently forget the facts. Here I would request the honourable Members to go through the debates of 1974-75. While speaking on the floor of this very House, I myself said that 80 per cent of our foreign exchange was being spent on importing the three F's, that is, food, fuel and fertilizers. And if you just go through the Plan document, you will yourself find that our dependence on imported oil has come down from 66 per cent to 31 per cent during one Plan period, that is, from 1980—85. What is it, if it is not self-reliance? The country had to depend heavily up to 1966 on the PL-480 wheat supply for which the hon. Members who spoke just now had to agitate. Almost it became an annual ritual to have some sort of food movement, and it also became a ritual on behalf of the Food Ministers of the Central and State Governments to plead, "What could we do? What we produce is quite inadequate to meet our requirements." And every year we used to find the Indian Food Minister going with a begging bowl to some of these countries either for the PL-480 food or some other type of food aid. And Indian housewives had to live almost from ship or port to kitchen. Today the country is producing 153 million tonnes of grains and is almost self-sufficient on food. If we look at the production of fertilizer with the growing rate of consumption from 1.8

million tonnes at the beginning of the Plan to have 5.8 million tonnes of production which reduces our dependence in that area is definitely an indication of self-reliance.

Therefore, there are achievements not only in the Sixth Plan but to my mind from where we started. I think I should take this opportunity of recapitulating from where we started. We are grateful to the planners, particularly to Pt. Jawaharlal Nehru and the leadership of Congress organisation which gave the concept of planning, planned economic development to this country. That is why we have withstood. It has been accepted by all including the party which the hon. Member represents. I went through the full text of the speech delivered by Mr. Jyoti Bosu. I am taking his name not with any particular reference to him. When he made the observations in the NDC. it is not that he differed with the main objectives, basic objectives set before the nation as the objective and goal of our planning. His main criticism was that we were deviating from that path. Therefore, this is not a debatable question. This is universally accepted. A national consensus has been developed.

SHRI NIRMAL CHATTERJEE: Can you not distinguish between objective and path?

SHRI PRANAB MUKHERJEE: Please take your seat.

The national consensus is we must have growth, not merely growth in the economy but growth with social justice. We must have growth with the objective of ameliorating the poverty. We must have growth and at the same time our economic activities should be self-reliant. But, if somebody wants to extend the definition of self-reliance to the extent of autarchy as this phrase has been used by the Prime Minister in his fore word, that selfreliance is not autarchy, no country has self-reliance in the sense of autarchy. Self-reliance means an independent economy which can stand on its own legs despite difficulties. We have built up that capability. If we compare our performace with many countries in terms of growth, yes, some of the countries in South-east Asia may say that they have a higher rate of growth compared to ours. I do not disagree with that; I agree with it. But if you look at indepth you will find that if a situation arises. where a few multinational companies decide to disinvest in those countries, their whole economy will collapse like a pack of cards, and their share in the world export trade or their GNP will not stand. But the situation in India is totally different. I am taking a hypothetical position. If everyone decides not to extend any help to us we have built up the capabilities by which we can produce our required steel, we can produce our required cement, we can produce our required commercial energies. We have built up that technology to support a reasonably modest growth in the economy. That is the basic difference, and this we have achieved over the period of years in the country which had not only a feudal economy but which was exploited over more than 150 years by colonial rule.

From the beginning of plan, if we look at our food production. it was just 55 million tonnes. Today it is more than 153 million tonnes. I am talking of 1983-84 figures and I do not have 1984-85 figures. Finished steel was 1.04 million tonnes. Today it is 6.14 million tonnes. Cement was 2.7 million tonnes. Today it is 27.1 million tonnes. Coal was 32.8 million tonnes. Today it is 144.9 million tonnes. Fertilizer was 1.8 million tonnes. Today it is 4.5 million tonnes. Crude oil was 26 million tonnes and now it is 29 million tonnes. Gross Domestic Capital Formation was 10 per cent which has come up to 23.9 per cent. If we talk in absolute terms, the financial outlay in the first year of the plan was Rs. 264 crores. In 1984-1985 it is nearly Rs. 30,000 crores. To just brush aside that we have not achieved anything is not correct. If there is no

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achievement, this country had to suffer for food. How could you explain? The span of longevity has been increased from 24 to 53. The rate of child mortality has gone down substantially. Therefore, we have achieved certain things. But it does not mean that we have achieved everything. It is nobody's case. Nobody is claiming that. We are yet to achieve much more. The size of the population has to be taken into account. On the day of partition, the total population of this country was 380 million. Today it is just double. Therefore, our effort should be to match the growing population and keep that in view. We shall have to take note of what we have achieved; and what additional efforts we would require.

In this connection, Madam, I would like to congratulate the Government and particularly the Prime Minister of fixing the size of the public sector outlay in the plan by Rs. 180,000 crores, because there was a resource constraint. There is no doubt about this fact. Perhaps to support a plan of this magnitude and to provide adequate resources to back it would be a difficult task. The initiative taken by the Chairman, Planning Commission in getting this size of the plan at Rs. 180,000 crores which may be regarded as irreducible minimum is no doubt a bold one. I will not go into the details of whether private sector is getting more or the public sector is getting less. These are totally irrelevant in the sense that as of Rs. 180,000 crores how are we to fund the plan in a non-Inflationary way that is one crucial question. Another crucial question is the assumption—Here I agree with hon. Member, Shri Chatterjee that after all the plan is a certain assumption and we shall have to think whether these assumptions are correct and on the basis of those assumptions whether we can come to the correct conclusions. Frankly I would express my little doubt about the resource mobilisation particularly from our past experiences during the Sixth Five Year Plan

Take the case of deficit financing. You had assumed during the plan period that you will be able to keep the deficit financing at Rs. 14,000 crores. That is the assessment we are having. The assessment of deficit financing made during the Sixth Plan was Rs. 5,000 crores. What is the latest estimate? What has been the deficit financing? I think deficit financing has been Rs. 15,684 crores which appears in the plan document. Rs. 5,000 crores have gone up to Rs. 15,684 crores. We did not take into account that the States will resort to deficit financing But the States have resorted to deficit financing to the extent of Rs. 4,757 crores.

[The Vice-Chairman (Shri M. P. Kaushik) in the Chair.]

Despite the massive assistance which they received from the Centre, you shall have to keep in mind that first four years of the Sixth Plan were covered by the recommendations of the Seventh Finance Commission and the Seventh Finance Commission transferred huge amounts of resources to the States by stepping up the share of excise duty from 20 per cent to 40 per cent. Therefore, the share of excise duty was increased, devolution was much more in the first four years, massive Central assistance was provided in the Sixth Plan. The original target was—Central assistance, Rs. 15,350 crores. Actually, it was Rs. 17,563 crores and Rs. 1400 crores which were outstanding at the beginning of the Plan were not realised during the Sixth Plan period. Despite that, what has been the achievement? When you decide it, when the Planning Commission decides it that Rs. 97,500 crores would be the total outlay at 1978-79 prices, during the Sixth Five Year Plan sharing was Rs. 48,900 crores to the Centre and Union Territories, Rs. 48,600 crores—to the States. When we find that at current prices, the Plan is roughly Rs. 111000 crores, Central Sector Plan have become Rs. 61,000 crores, State sector plan have become 51,000 crores. Therefore, this is a point we shall have to keep in mind and I do not agree with the view that more transfer of resources from the Centre to the States in increased quantum would ensure that this will be spent for development. You will have to make cons-

tant efforts for development and you will have to give priority for development particularly, from our experience, I would not mention the name of the State. When we find that in a particular State, in 1972 out of every hundred rupees, revenue and capital receipts taken together, Rs. 12.50 was spent on development. From 1972 to 1976, it gradually increased and went upto Rs. 21.60; i.e. from Rs. 12.50 to Rs. 21.60. I am not mentioning the names of the States because I am just in the midst of my debate. *(Interruption)*.

SHRI N. K. P. SALVE: Please name the State.

SHRI PRANAB MUKHERJEE: You can come to a reasonable conclusion. From 1977 to 1984, it has come down from Rs. 21.60 to Rs. 13.80. Clear conscious decision to give low priority to the planning. I am sorogy to point out that a psycho'ogy has developed protecting the plan is the responsibility of the Union Government; to protect development activities is the responsibility of the Union Government and to resort to populism is the monopoly of the State Governments. I am afraid, if this is encouraged, to some extent,—I would not point all the States with the same brush but unfortunately, if you look at, why I am saying, 'to some extent', actually it has been in one particular State, some States spend hundred per cent, some States spend more than hundred per cent, certain States were unab'e to spend even 66 per cent of the total outlay in nominal term. Therefore, what I am trying to point out is that more transfer of more resources to the States would not ensure that plan is going to be implemented. On the other hand, we cannot ignore the constitutional pattern. After all, the State Governments are also having the mandate from the same seat of people from where the Union Government is receiving the mandate. Distribution of work, more work or beneficial works are to be done in the States sector. Therefore, the situation which we have reached here we must find out an institutional arrangement under which there can be a system through which, at least, plan and development can be protected. And if it is not done, we will go on spending in financial terms and we will say that we are spending so much money, but I am afraid, in reality, it would pose serious problems. What I am trying to point out, Madam, is that so far as resource mobilisation is concerned, to fund a Plan of Rs. 180,000 crores, the negative contribution of BCR is going to be much more because what you have assumed on page 52, table 4.9, I am afraid, is too inadequate during the five-year period. You have said that Rs. 16,805 crores would be the subsidy for food, fertiliser and export. I am not talking of any other subsidy. For defence, it is stated that Rs. 45,000 crores would be spent for the five-year period. What has been the expenditure in the Sixth Five Year Plan for defence? And what are the commitments already entered into in on-going projects? Have we taken note of those factors? It is easy, for a theoretical exercise, to say that we cannot spend more than that, but in practice it is no so easy. Only the other day, everyone of us thumped the desk and congratulated the Minister when he announced that he would give rice with a subsidy. Forty-five rupees per tonne will be the subsidy for the new scheme of disposing of rice. If you want to dispose of half a million tonnes of rice, what will be the quantum of subsidy at the rate of Rs. 45 per tonne? Have we taken note of it? Have we taken note of the fact that each tonne more of fertiliser production would increase the subsidy? After all, you are not going to change the scale of operations overnight. The units existing already, the installed capacities which are there have to be utilised. We will have to take note of these facts. Planning is not merely a theoretical, academic exercise. It is to be implemented on the ground. Therefore, we must have a hard look at the resources position. In this connection, I would like to draw attention to another area of concern, which is the balance of payments. It has been assumed that 20 per cent would be the debt services, but in my calculation, I find that it would be a little more than that. It would be 25 per cen. It would not be 20 per cent; it will be 25 per cent in respect of

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the debts which we have already entered into. It is not very correct to come to a conclusion by making a computation of the total current account balance. Upto now, while computing the debt services, we have tried to link it with our net export earnings, and normally we used to exclude invisibles. Therefore, our trade gap and current account deficit figures were different. If we do not take note of the balance of payments situation and if we allow imports to go on almost uninterrupted, we shall have to face a very serious problem in the near future. The Planning Commission has taken note of it. So far as this document is concerned, I have nothing to add to it, but at the same time...

SHRI NIRMAL CHATTERJEE: For implementation?

SHRI PRANAB MUKHERJEE: I am coming to that. So far as the Plan document is concerned, they have identified the areas of concern. The question is, it is to be implemented at the ground level And unless we increase our exports substantially, it is going to be a problem. And how can we increase our exports? The international trade situation is not at all favourable, if not hostile. More and more Western countries are going in for protectionism. Here, I don't agree with my Marxist friends. Of course, they themselves do not agree. When the West Bengal Chief Minister says very strongly that our economy should not depend on exports, I do not know what his counterpart in Kerala would say because if we do not export most of the agricultural products of Kerala, irrespective of their party affiliations, all of them will come and break our heads. But I am not going to that aspect.

SHRI R. MOHANARANGAM (Tamil Nadu): Kerala Communists are different from West Bengal Communists.

SHRI PRANAB MUKHERJEE : Yes, Kerala Communists are quite different from West Bengal Communists. I do agree. What I want to point out is we must have certain areas and I do not exactly remember the name of the author who suggested: Why should we not have a real breackthrough in agricultural production? Why should we fix the target of food production at 180 or 185 million tonnes? We could go up to 153 million tonnes in the Sixth Plan. But this assumption is wrong. From our own performance record we can establish from 1947 till 1978-79 the total power generating capacity installed in this country was 28,000 MW. In the Sixth Plan we set an ambitious target of adding 19000 MW. Yes, it is true we could not reach 19000, but we reached 14500. That means, what we could achieve over a period of 30 years, we have been able to achieve half of it in just five years. With this performance record we could make a real breakthrough. Let us look at the disparities. The yield of rice per hectare in Bihar is 681 kg, in Andhra Pradesh 2120 kgs, in Punjab it is more than 3600 kgs. The irrigation potential and the ratio between the gross cropped area and irrigated area in Punjab is 80 per cent, in Orissa 17 per cent, in Bihar 19 per cent. Therefore, what has been pointed out in this Plan document, and it has been rightly emphasised, is if we want to extend the green revolution to eastern India—of course, institutional arrangement have to be made and unless we have institutional arrangements it would be difficult to implement it, particularly in those areas land reforms are very important to achieve the target in agricultural production. But this is the area where I do feel that the Planning Commission and the Government can think a little more ambitiously than what they are doing. In expanding exports in other areas—by all forecasts the world is going to have acute food scarcity in the next 10—15 years. Today we all know and we are grateful to the Government of India for extending a helping hand to some of the African countries, out of every three children two die of starvation and the situation is not going to improve overnight. It is equally a fact that one tonne of basmati rice brings almost four tonnes of crude. Shri Shiva Shanker was at that time fascinated of importing oil by exporting basmati rice. Therefore it is not necessary that we should have to compete in certain areas where already others have reached a very high level. Longer

perspective, it is all right. We must have that quantum jump in technology. But for short-term and medium term whether we can accept this approach I would request the hon'ble Minister to consider carefully.

The third aspect is the area of resources to be generated from the public sector. And public sector in this country is becoming the whipping boy. It is true that their performance has not been up to the expectation. But at the same time we should not in our enthusiasm forget hard facts, cold facts, that many of the problems of the public sector are not of their own making. We have not yet been able to create that type of work culture which we are expected to get out of the public sector. I do not know whether I am offending my trade union friends but the fact remains that when they talk of collective bargaining, even in the public sector despite cash losses we have to increase wages to the extent of 14 per cent, 15 per cent. I do not know what Mr. Salve gave when he was Steel Minister. But in 1984, the wage increases would have accounted for about Rs. 2,500 crores to Rs. 3,000 crores. This is the cumulative effect which will be there during the Plan period or till the next wage agreement is reached after an interval of four years. This has been emphasised. So, I have no objection if we can implement this new work ethic or work culture in the public sector. In the private sector, I do not mind if you have collective bargaining. By all means you have it, and the labour leaders will be satisfied. I think. But in order to project a better image and to improve the efficiency and to get the return, you must have the new work culture. That is why I say that we shall have to think whether we can go on like this. The Minister says that he is going to have nearly 30 per cent allocation for the energy sector. It is quite encouraging, Mr. Minister. But, at the same time, Madam, we shall have to keep in mind as to what type of economy we are creating in this country. We have to think whether we can bear it. Can we bear it? At today's costs, if you want to have a thermal plant of 1 MW capacity, it would cost you one crore and twenty lakhs of rupees. Mr. Shiv Shanker is here now and I hope he will throw some light on this.

SHRI P. SHIV SHANKER (Gujarat): Why can't they have uniform wage levels?

SHRI PRANAB MUKHERJEE: I will come to that a little later.

I was saying that we will have to spend at today's prices one crore and twenty lakhs of rupees. My figure may be low—I am a little back-dated-and it may be more. And your PLF will have to be more. In order to have a 1MW power, we have to create 2 MW capacity by spending Rs. 2.5 crores! Can this country afford that? Can we meet our requirements by spending like this? Can we meet our requirements by expanding? Is it not time to ponder over these things? Is it not time to think that we must get the maximum return out of the past investments? We can say that one Plan should be a plan of consolidation and the next Plan should be a plan of expansion. Mr. Nirmal Chatterjee was talking og...

SHRI P. SHIV SHANKER: Mr. Mukherjee, one percent increase in PLF would amount to a generation of 600 MW.

SHRI PRANAB MUKHERJEE: You see, Madam, the former Energy Minister is providing a clue and is fully justifying my point. Therefore, what I say is that more financial allocation of more talking in terms of physical targets would not help us unless we get the maximum out of our past investments. We must think of getting returns on our past investments and not of making investments for creating new capacities. What is needed is investment for providing maintenance, balancing equipment, up-to-date technology, etc. and we do not mind spending more money for that and, so, the Planning Minister should concentrate his attention on that.

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Now, Madam, I come to the areas of weakness. One area of weakness is there with regard to the funding of the Plan. Take the case of market borrowings now. Really, Madam, a serious distortion has taken place in our budgeting system. This is, strictly speaking, not the job of the Planning Commission.

RE. ATTEMPT BY AN HON. MEMBER TO SIT IN DHARNA INSIDE THE HOUSE

SHRI F. M. KHAN (Karnataka): Madam, I want to say something. I want to place a few facts before the House. You know I have been on a hunger-strike.

THE DEPUTY CHAIRMAN: You then go and have your lunch. Do not disturb the proceedings.

SHRI F. M. KHAN: Can't you hear, Madam? (*Interruptions*). I have come here to express certain things and you can't say 'No' to me. I cannot even say what is happening. I have come here to express certain things. (*Interruptions*) Elections are going on now and they care carrying the boxes outside somewhere else against the procedure.

THE DEPUTY CHAIRMAN: I am not concerned with what is happening outside. Please sit down.

SHRI F. M. KHAN: In this House I have to express my views. Even here you want to curtail my rights? If you are not interested in hearing me, if you do not allow me, then I will sit there in dharna. (*Interruptions*). You can do whatever you like. (*Interruptions*).

[*The hon. Member then sat near the podium.*]

THE DEPUTY CHAIRMAN: I am not concerned with what happens outside the House. I am concerned with what happens here inside the House. You cannot come over here and sit.

SHRI F. M. KHAN: I will keep on sitting here.

THE DEPUTY CHAIRMAN: You cannot sit here. You go to your seat Do not disturb the proceedings. (*Interruptions*). You cannot express your grievances here. (*Interruptions*). Please go to your seat. Otherwise, I will ask somebody to take you out.

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI SITARAM KESRI): Madam Deputy Chairman, I think he should be asked to take his seat. Otherwise, you can take some action against him.

THE DEPUTY CHAIRMAN: Please so and sit there. (*Interruptions*) Please take him away.

SHRI NIRMAL CHATTERJEE (West Bengal): He can be given some time.

THE DEPUTY CHAIRMAN: Don't try to plead for him. Don't disturb the House. (*Interruptions*).

AN HON. MEMBER: His condition is quite serious. (*Interruptions*).

THE DEPUTY CHAIRMAN: Just a minute. (*Interruptions*).

AN HON. MEMBER: This is democracy.

THE DEPUTY CHAIRMAN: I understand the meaning of 'democracy'. (*Interruptions*) Let me take action. I am only concerned with what is happening inside the House at the moment. I am not concerned what is happening outside the House. That is not my job. You please go and sit there. If anything happens to you, I am not responsible. ((*Interruptions*) Don't misbehave. You cannot make any such. . .

SHRI F. M. KHAN: I am making a reference.

THE DEPUTY CHAIRMAN: You cannot disturb the House like this. (*Interruptions*).